

Good Morning Gentleman,

My name is Alan Fishman. I am 70 yrs old and I have lived in condominium apartments all of my adult live. I have developed, built and managed condominium projects since the 1980's.

Under the current law, association boards are not required to provide adequate information about what happens to special assessment money. It is usually difficult, and often impossible, for unit owners to figure out what has or is happening to money collected from special assessments, since there are no separate reporting requirements.

Unit owners are persuaded to vote to spend very large amounts of money for a specific project.

Those handling their association's cash, soon discover, that they can do with what they wish with Assessment Funds.

Special Assessment funds are suppose to be "Restricted" to spending on one specific project... nothing else.

In actuality, those handling the cash soon find out that they can spend the cash on anything they wish, with low probability of detection or unit owner approval.

Overages in newly collected assessment money can be used to fund projects previously voted down, to cover up shortages in the operating fund, or to cover up fraud.

How can this be? the favorite trick is to assess unit owners for more money than is actually needed to fund a new project. The issue of addressing potential overages or excess funds is never brought up during the time of the unit owner approval vote. The overage can then easily be spent on a project that would not normally get approved by the unit owners. Without reporting rules, those intending to defraud the association can easily divert the overage to their own use.

I think these matters could easily be corrected with a simple, no cost to tax payers, amendment that addresses monthly reporting and how to deal with any overages

I am asking you to please consider inserting the language shown below into the existing condominium bill that is before this committee.

"All special assessment money must be separately reported both as money collected and as money spent. Unit owners shall determine how any excess funds shall be used. Funds shall not be commingled with any other special assessments or with everyday, budgeted, operating funds, supported by common charges. Should common charges be temporarily increased for a specific purpose, those charges must also be separately reported as if it were an assessment."

Alan

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